

Program Year 2016 Rapid Response Annual Allotment Calculation Methodology

The Department of Workforce Development, Division of Employment and Training (DWD-DET) has allocated a total of \$750,000 to Rapid Response Annual Allotment Grants for Program Year 2016 (PY16). Employing a method similar to the one used to calculate Workforce Development Boards (WDB) annual Dislocated Worker formula funding, DWD-DET used multiple indicators of historical layoff activity to estimate Rapid Response service demands on each Workforce Development Area (WDA) in PY16. DWD-DET acknowledges that past activity is not necessarily an accurate predictor of future activity and the selected indicators present certain limitations; however, the selected indicators were identified as the best data sources available for the purpose.

The formula for the PY16 Annual Allotment Grants to each of the 11 WDBs is based on the following four indicators:

- 1) "Percent of Plant Closing and Mass Layoffs (PCML) Notices," which is the average number of new PCML Notices received annually, from calendar years 2011 to 2015, for each WDA, divided by the total number of new notices filed with the State during the same period
- 2) The "Percent of Affected Workers" is the average number of affected workers reported in new PCML Notices, by WDA, from calendar years 2011 to 2015, divided by the total number of affected workers reported in new PCML Notices filed with the State during the same period
- 3) The "Unemployment Rate" is the average non-seasonally adjusted unemployment rate for each WDA, based on Local Area Unemployment Statistics (LAUS) data, from calendar years 2011 to 2015
- 4) The "Percent of Unemployed People" is the average number of unemployed people within each WDA, based on LAUS data, from calendar years 2011 to 2015, divided by the total number of unemployed people in the State for the same period.

Data Sources:

Plant Closings and Mass layoffs (PCML) Notices:

<http://worknet.wisconsin.gov/worknet/downloads.aspx?menuselection=da&pgm=pcml>

Local Area Unemployment Statistics (LAUS):

<http://worknet.wisconsin.gov/worknet/downloads.aspx?menuselection=da&pgm=LAUS>

The formula used for future Rapid Response Annual Allotments may add or remove economic indicators for purposes of creating the most accurate predictor of Rapid Response service demands. Additionally, DWD-DET may elect to add performance indicators in future formulas.

The distribution of funds is based on a percentage of each of the indicators mentioned above, and is summarized in the table below.

Table 1: Annual Allotment Percentages Based on PY16 Indicators*

Workforce Development Area	Percent of PCML Notices	Percent of Affected Workers	Unemployment Rate	Percent of Unemployed People
1 Southeast	6.25%	6.99%	7.24%	9.03%
2 Milwaukee	23.47%	29.99%	7.82%	19.17%
3 WOW	11.57%	7.49%	5.24%	9.20%
4 Fox Valley	8.04%	10.49%	6.04%	6.98%
5 Bay Area	14.44%	12.28%	6.32%	14.14%
6 North Central	4.64%	6.68%	7.08%	7.90%
7 Northwest	0.85%	0.81%	7.72%	3.58%
8 West Central	8.66%	6.47%	5.86%	7.66%
9 Western	5.29%	5.57%	5.80%	4.73%
10 South Central	15.25%	12.65%	5.04%	12.15%
11 Southwest	1.53%	0.58%	6.50%	5.45%

*Percentages have been rounded from twelve decimal places to two.

Weighting the indicators:

All four indicators are used in the formula to provide a reflection of the general economic well-being of the WDA. The "Percent of PCML Notices" and "Percent of Affected Workers" have been assigned greater weight in the formula based on the presumption that they are better indicators for the need of Rapid Response activities than general unemployment statistics. The DWD-DET has used the following weightings for the PY16 Allotment:

Table 2: Weightings* of PY16 Indicators

Indicator	Weighting	Total Funds Allotted
Percent of PCML	20.00%	\$150,000
Percent of Affected Workers	45.00%	\$337,500
Unemployment Rate	17.50%	\$131,250
Percent of Unemployed People	17.50%	\$131,250

* Weightings may change in future program years

Calculating the PY16 Rapid Response Annual Allotment Grant Amounts:

The Rapid Response Annual Allotment for each WDB is calculated using Tables 1 and 2, above. Table 1 determines the percentage of funds each WDB will receive per indicator and Table 2 determines the amount of total funds that DWD-DET has allotted to each of the indicators.

Example: Based on the data sources, North Central had an average of 2,224 affected workers reported in new PCML Notices from calendar years 2011 to 2015, which accounted for 6.68% of the State's affected workers over the same period.

Table 2 reflects that a total of \$337,500 has been allotted to the "Percent of Affected Workers" indicator. Therefore, North Central will receive 6.68% of the \$337,500 or \$22,548.

The Annual Allotment amounts for each of the indicators are listed in the table below, by WDA:

Table 3: Fund Distribution by PY16 Indicator for Each WDB

Workforce Development Area	Percent of PCML	Percent of Affected Workers	Unemployment Rate	Percent of Unemployed	Total Allotment
Southeast	\$9,368	\$23,593	\$9,503	\$11,850	\$54,313
Milwaukee	\$35,198	\$101,223	\$10,264	\$25,163	\$171,848
WOW	\$17,352	\$25,271	\$6,878	\$12,073	\$61,574
Fox Valley	\$12,067	\$35,410	\$7,928	\$9,164	\$64,569
Bay Area	\$21,660	\$41,444	\$8,295	\$18,563	\$89,962
North Central	\$6,959	\$22,548	\$9,293	\$10,368	\$49,168
Northwest	\$1,279	\$2,743	\$10,133	\$4,704	\$18,859
West Central	\$12,992	\$21,823	\$7,691	\$10,057	\$52,563
Western	\$7,941	\$18,788	\$7,613	\$6,212	\$40,554
South Central	\$22,881	\$42,689	\$6,615	\$15,944	\$88,129
Southwest	\$2,302	\$1,968	\$8,531	\$7,153	\$19,953

Minimum Allotment:

The DWD-DET has set a minimum allotment of **\$38,660**. No WDB will receive below the minimum allotment; therefore, Northwest and Southwest WDBs will receive \$38,660 rather than the amounts shown in Table 3. The minimum allotment amount may change in future program years.

PY16 Annual Allotment Contract Amounts:

Table 4: PY16 Rapid Response Annual Allotment Amounts

Workforce Development Area	PY16 Annual Allotment
1 Southeast	\$54,313
2 Milwaukee	\$171,848
3 WOW	\$61,574
4 Fox Valley	\$64,569
5 Bay Area	\$89,962
6 North Central	\$49,168

7	Northwest	\$38,660
8	West Central	\$52,563
9	Western	\$40,554
10	South Central	\$88,129
11	Southwest	\$38,660
Total Annual Allotment		\$750,000

Note: Manual calculation using the figures from Table 1 and Table 2 could differ by up to \$17.00 from the figures provided in Table 3. The "Allotment Percentages" in Table 1 were rounded from the twelfth decimal place to the second decimal place.